P R 171713Z JAN 08 FM SECSTATE WASHDC TO AMEMBASSY BERLIN PRIORITY INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE

S E C R E T STATE 005439

E.O. 12958: DECL: 01/17/2033 TAGS: <u>PARM MTCRE PREL GM IR</u>

SUBJECT: (S) IRANIAN MISSILE ENTITY INTEREST IN PURCHASING MERCEDES BENZ VEHICLES

REF: A. 07 STATE 131559

¶B. 07 BERLIN 1770

¶C. 07 STATE 135366

¶D. 07 BERLIN 2164

Classified By: ISN/MTR DIRECTOR PAM DURHAM FOR REASONS 1.4 (B), (C), AND (D).

- 11. This is an action request. Embassy Berlin, please see paragraph 4.
- (S) Background and Purpose: The U.S. has information indicating that as of early December 2007, Iran's primary solid-fueled ballistic missile entity, the Shahid Bakeri Industrial Group (SBIG), had plans to purchase a Mercedes Benz model 4053 vehicle, and was also considering the purchase of five new model 3340 vehicles. Iran's Aerospace Industries Organization (AIO) - the entity with overall authority over Iran's ballistic missile programs - may be involved in coordinating these transactions via the Iran Khodro Company (IKCO), an Iranian producer of cars, trucks and buses. A subsidiary of IKCO, the Iran Khodro Diesel Company (IKDC), provides the Iranian military with truck chassis for ballistic missile transporters and launchers. At this time, it is not clear if IKCO will provide the vehicles directly to SBIG/AIO, or if IKCO will first procure them from a source abroad.
- 13. (S) Objective: We want to alert German officials to this activity to inform their export control efforts.
- 14. (U) Action Request: Request Embassy Berlin approach appropriate host government officials to deliver talking points/non-paper in paragraph 5 below and report response. Talking points also may be provided as a non-paper. In delivering demarche, post should note U.S. appreciation for FRG's efforts in another Mercedes Benz case in the Fall of 2007 (Refs).
- 15. (S) Begin talking points/non-paper:

(SECRET REL GERMANY)

- -- In the spirit of our nonproliferation partnership, we would like to alert you to a matter of proliferation concern.
- -- We have information indicating that as of early December, the Shahid Bakeri Industrial Group (SBIG) Iran's primary solid-fueled ballistic missile developer and an entity listed on the Annex of UN Security Council Resolution 1737 for its involvement in Iran's missile program had plans to acquire a number of Mercedes Benz vehicles.
- -- Specifically, we believe SBIG intends to purchase a Mercedes Benz 4053 vehicle to support its solid-fueled missile program.
- -- SBIG also appears to be considering the purchase of five new Mercedes Benz 3340 vehicles.

- -- Iran's Aerospace Industries Organization (AIO) the entity with overall authority over all of Iran's ballistic missile programs may be involved in coordinating this transaction.
- -- We understand that AIO intends to acquire these vehicles via the Iran Khodro Company (IKCO), an Iranian producer of cars, trucks and buses.
- -- It is not clear if IKCO will provide the vehicles directly to SBIG/AIO, or if IKCO will first procure them from a source abroad.
- -- The Iran Khodro Diesel Company (IKDC), a subsidiary of IKCO, provides the Iranian military with truck chassis for ballistic missile transporters and launchers.
- -- We hope this information will be useful to your export control efforts and encourage you to take all appropriate measures to ensure that German firms are not involved in these transactions.
- -- We look forward to continuing cooperation with your government on our nonproliferation issues.
- 16. (U) Washington POC is ISN/MTR April Jones (Phone: 202-647-3176). Please slug any reporting on this issue for ISN/MTR, EUR/AGS, NEA/IR, EUR/PRA.
- 17. (U) A word version file of this document will be posted at www.state.sgov.gov/demarche.

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End Cable Text